

“cooperation” is not easy in view of the many reservations aired about that institution. These changes in Yugoslavia and Croatia are more spectacular than the ones seen in Kosovo or Bosnia since they are sovereign states, less influenced by the international community.

Meanwhile, all the countries of the Caucasus are grappling with more or less widespread electoral wrongdoing. According to various reports by international commissions, all elections held in Azerbaijan have been marred by major irregularities. Moreover, the OSCE reports that the October and November 1999 Georgian legislative campaigns seem to be acceptable in spite of voting irregularities and a lack of transparency in the electoral legislation.

The Caucasian states have not allowed independent media to develop, and their people lack information about environmental, social and political issues. Beyond political censorship, this situation conceals the emergence of new problems like trafficking in human beings.¹³ Though the democratization process seems to be well launched in the SEE countries, the Caucasus still has a long way to go in this respect.

All the Caucasian countries suffer from major internal political instability that jeopardizes both relations with their neighbours and negotiations in the peace process. For example, the Armenian political situation remained relatively stable until 1998, but the latest legislative elections, held in May 1999, returned a minority government. On October 27, 1999, the political instability came to a head when a gunman got into the Legislative Assembly, killing the Prime Minister and other political figures. This slaughter happened just when, for the first time, there seemed to be real progress in the peace negotiations over Karabakh. The peace process was thus stopped and the government considerably weakened.

As for Azerbaijan, its brief period of independence has seen three presidents and several actual or attempted coups d'état. Georgia saw total instability in the early 1990s but relative stability in the second half of the decade, when President Shevardnadze survived several attempted coups d'état.

1.2.4 Economic obstacles to reconstruction

The return to a degree of stability in SEE and the Caucasus also has to deal with many economic problems. Many people see an interdependence between inter-ethnic conflict and the failure of economic reform in these states. As long as the economies of these regions are this unstable, tensions will remain high and borders will be challenged. Admittedly, the economies of the Caucasus differ significantly, but in the end they are all facing similar problems that stem from the weakness of their governments and institutions, trade imbalances, a shortage of foreign capital and the growth of a big informal economy that deprives states of substantial revenue.

¹³ “Joint study on trafficking in human beings published in Armenia,” *OSCE press release*, November 14, 2001. <http://www.osce.org/news/generate.php3?news_id=2143>; “Trafficking in human beings: Stability Pact Task Force steps up its efforts,” *OSCE Media Advisory*, April 23, 2001; “Trafficking in Kosovo - some case studies,” *OSCE*. <http://www.osce.org/odihr/features/trafficking_kosovo_2/>.